

ITI URGES SUPPORT FOR ECONOMIC GROWTH PLAN

May 2, 2003 Washington, DC – The Information Technology Industry Council (ITI) today praised President George W. Bush's economic growth plan and urged Members of Congress to act swiftly to approve a \$550 billion package, which is expected to be included in a House Ways and Means Committee markup on Monday.

"This package contains a good mix of incentives that will stimulate growth and innovation in the high tech industry and the entire U.S. business community," said ITI President Rhett Dawson. "With increased business investment and restored consumer confidence, a robust U.S. economic environment can soon follow."

President Bush is expected to discuss his economic growth plan and its impact on the high tech industry during a speech in Santa Clara, California this afternoon.

The House Ways and Means package, based largely on President Bush's plan, includes provisions that will spur investment by U.S. companies and promote job growth and spending by American consumers. The provisions in the package that are supported by the high tech community include: 1) tax breaks on all forms of investment incomes, including reduction in dividends and capital gains taxes; 2) increased accelerated depreciation allowance for U.S. businesses; 3) increased expensing limits for small business investment; 4) extension of the net operating loss (NOL) carryback provision; and 5) acceleration of income tax rate cuts.

ITI believes that capital gains and dividend tax reductions will improve financial market growth and restore investor confidence. A robust accelerated depreciation allowance and increase in the expensing limit for investment by America's small businesses will stimulate lagging business investment, a principal factor in the current economic slowdown. The productivity gains that result from corporate investments will spur rising living standards and corporate financial health. An extension of the NOL carryback provisions will help companies regain financial stability, maintain employment, and return to growth. An acceleration of income tax rate cuts will give Americans more disposable income to spend on innovative technologies and services.

**The Information Technology Industry Council (ITI) represents the top U.S. providers of information technology products and services. ITI is the voice of the high tech community, advocating policies that advance U.S. leadership in technology and innovation; open access to new and emerging markets; support e-commerce expansion; protect consumer choice; and enhance the global competitiveness of its member companies.

ITI member companies include Accenture, Agilent Technologies, AOL Time Warner, Apple Computer, Canon U.S.A., Cisco, Corning, Dell, Eastman Kodak, eBay, EMC, Hewlett-Packard, IBM, Intel, Lexmark, Microsoft, Motorola, National Semiconductor, NCR, Oracle, Panasonic, SGI, Sony Electronics, Sun Microsystems, Symbol Technologies, Tektronix and Unisys.